

# **FY 2009 Bonding and Infrastructure Appropriation Adjustments Bill Senate File 376**

Last Action:

**Senate Floor**

March 11, 2009

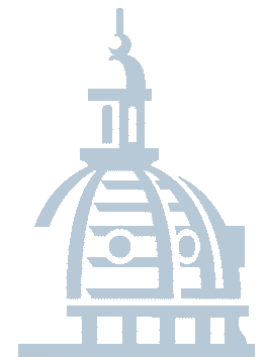
**An Act relating to the issuance of bonds including the issuance of annual appropriation bonds, creating an annual appropriation bonds debt service fund and an appropriation bonds capitals fund, making and revising appropriations, and including effective date provisions.**

## **NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available on line at <http://www3.legis.state.ia.us/noba/index.jsp>

**Fiscal Services Division**

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# EXECUTIVE SUMMARY NOTES ON BILLS AND AMENDMENTS

## SENATE FILE 376 FY 2009 BONDING AND INFRASTRUCTURE APPROPRIATION ADJUSTMENTS BILL

### FUNDING SUMMARY

- Creates the Appropriation Bonds Capitals Fund (ABC Fund) to receive net bond proceeds of \$175.0 million from the issuance of appropriation bonds.
- Appropriates \$174.2 million from the ABC Fund, including \$150.4 million that was previously appropriated from the RC3 for FY 2009.
- Restores funding for FY 2009 projects that have been delayed because the planned securitization of the remaining tobacco payments has not occurred, by moving the projects to the ABC Fund from the FY 2009 Tax-Exempt Restricted Capital Fund (RC3).
- Deappropriates \$162.8 million from the RC3. This amount reflects \$7.4 million in decreases for certain appropriations shifted to the ABC Fund as well as deappropriations of \$4.9 million for the Honey Creek Destination Park and \$100,000 for a veterans memorial. Funding for both of these projects was provided through other sources.

### BONDING SUMMARY

- Authorizes the Treasurer of State to issue appropriation bonds as an alternative to the planned tobacco securitization that has not occurred due to market conditions. The market for tobacco securitization reflected interest rates above 9.0%, while in comparison, the market for appropriation bonds shows interest rates at approximately 4.7%. Appropriation bonds are a special type of limited obligation bond that do not require the State to pledge its full faith and credit through taxes and resources as would be required for a General Obligation bond. Appropriation bonds do not require a designated revenue stream as does a typical revenue bond, thus the State may opt for any source of funds for repayment. Appropriation bonds are expressly conditioned on the State making an affirmative act to appropriate funds for repayment each fiscal year. Bonds will be tax-exempt and must meet certain requirements of the Internal Revenue Code.

### FISCAL IMPACT

- In contrast to revenue bonds, appropriation bonds are marketable without a reserve fund. For a revenue bond, the source of repayment is a designated revenue stream and the debt service reserve fund is needed to protect bondholders in case the revenue stream is inadequate. For appropriation bonds, the source of funds for repayment is flexible and bondholders may not require a reserve fund. The estimated debt service payments depend on whether or not the reserve fund is necessary. The payments are lower if the reserve fund is not needed.
- As the bonds are issued, interest will be capitalized, so the first debt service payment will be in FY 2011. The FY 2011 payment is estimated to be \$9.3 million with a debt service reserve fund and \$9.0 million without a reserve fund. Debt service on the proposed bonds from FY 2012 through FY 2033 is estimated to be \$13.9 million per year with a debt service reserve fund and \$13.4 million without a reserve fund. The last bond payment is expected to be in FY 2033. Total new debt is expected to be between \$303.6 million and \$316.2 million, depending on whether the reserve fund is needed.

**EXECUTIVE SUMMARY  
NOTES ON BILLS AND AMENDMENTS**

**SENATE FILE 376  
FY 2009 BONDING AND INFRASTRUCTURE  
APPROPRIATION ADJUSTMENTS BILL**

**DIVISION I**

**AUTHORIZATION AND  
SPECIFICATIONS FOR BONDS**

***ANNUAL APPROPRIATIONS BONDS***

- Authorizes the Treasurer of State to issue, sell, and refund annual appropriation bonds. Specifies that appropriation bonds and any interest earned on the bonds will be tax-exempt. (Page 1, Line 29 and Page 5, Line 18)
- Sets the maximum aggregate net proceeds amount at \$175.0 million, excluding any refunding of outstanding annual appropriation bonds. Normally, tax-exempt bonds allow for one refunding. (Page 2, Line 2)
- Specifies the annual appropriation bonds must be used for capital projects that meet the definition of vertical infrastructure as defined in Section 8.57(6)(c), Code of Iowa, to the extent practicable. (Page 2, Line 13)

**NOT A DEBT OF THE STATE**

- Specifies the annual debt service on appropriation bonds is payable solely from the moneys appropriated for a certain fiscal year to the debt service fund or reserve fund created for that purpose. The bonds are not secured by the full faith and credit or the taxing powers of the State. Annual appropriation bonds do not obligate the State to make payments beyond any fiscal year that sufficient funds have been appropriated for. (Page 4, Line 7)

**SUBJECT TO NONAPPROPRIATION**

- Specifies that if the funds are not appropriated for a fiscal year, the State will not be obligated to make a payment from any source of any amounts beyond the amount of the previous appropriation. The State will not be held liable for the debt or any repercussions from the lack of an appropriation for payment of the debt service. Annual appropriation bonds are subject to nonappropriation and are expressly conditioned on the State appropriating funds for repayment. Any annual appropriation bonds will include a statement for the bondholders of the limitations of the State's liability. (Page 4, Line 27)

**BUDGETING AND APPROPRIATIONS  
FOR PAYMENTS**

- Requires the Treasurer of State to report annually by January 1, to the Governor and the General Assembly the amount needed to make the payments for the debt service. (Page 5, Line 25)
- Requires the debt service appropriation to be made to the Treasurer of State. (Page 6, Line 9)
- Requires amounts appropriated to restore the reserve fund to be paid to the Treasurer of State. (Page 6, Line 21)

**INTENT OF GENERAL ASSEMBLY –  
NOT A LEGAL OBLIGATION**

- Specifies the intent of the General Assembly to make timely appropriations to pay the debt service. Specifies that the intent language does not create and is not to be construed as creating a general, legal, or enforceable obligation. (Page 7, Line 35)

**NOT SUBJECT TO ACROSS-THE-  
BOARD REDUCTIONS**

- Specifies that amounts appropriated for purposes of annual appropriation bond payments are not subject to across-the-board reductions. (Page 8, Line 21)

**EXECUTIVE SUMMARY  
NOTES ON BILLS AND AMENDMENTS**

**SENATE FILE 376  
FY 2009 BONDING AND INFRASTRUCTURE  
APPROPRIATION ADJUSTMENTS BILL**

**DEBT SERVICE FUND AND  
RESERVE FUNDS**

- Creates an Annual Appropriation Bonds Debt Service Fund for purposes of receiving the appropriations that are intended to pay the debt service on any outstanding appropriation bonds. (Page 8, Line 24)

- Authorizes the Treasurer of State to create one or more reserve funds for purposes of issuing annual appropriation bonds. (Page 9, Line 1)

**APPROPRIATION BONDS CAPITALS  
(ABC) FUND**

- Creates the ABC Fund to receive net proceeds from appropriation bonds issued and specifies that the ABC Fund will be used for infrastructure projects. Interest earned on the Fund will be credited to the Fund. (Page 9, Line 18)

**REPORT REQUIREMENT**

- Requires an annual infrastructure report for appropriations received from the ABC Fund by January 15. This is consistent with State reporting requirements for appropriations from any of the infrastructure and technology-related funds. (Page 10, Line 4)

**EFFECTIVE DATE**

- Specifies that Division I takes effect on enactment. (Page 10, Line 15)

**DIVISION II**

***REGENTS BONDING***

**BONDING AUTHORIZATION**

- Eliminates the requirement for the Board of Regents to receive authorization from the General Assembly and the Governor before issuing hospital revenue bonds. Authorizes the Board of Regents to sell bonds or notes at a private sale without published notice under certain circumstances and to sell bonds or notes at certain interest rates. (Page 10, Lines 19 through Page 13, Line 20)

**PROJECT DEFINITION EXPANDED**

- Permits the Board of Regents to use revenue bond proceeds for construction of replacement facilities and flood recovery and flood mitigation expenses resulting from a disaster emergency area as proclaimed by the Governor. (Page 13, Line 21)

**EFFECTIVE DATE**

- Specifies that Division II takes effect on enactment. (Page 14, Line 4)

**DIVISION III**

***CHANGES TO FY 2009 RC3 APPROPRIATIONS AND SHIFT TO ABC FUND***

Generally, these changes represent funding shifts from the FY 2009 RC3 appropriations to the ABC Fund.

**DEPARTMENT OF ADMINISTRATIVE  
SERVICES**

- \$1.0 million for renovations and repairs to the utility tunnel system in the Capitol Complex. This is a decrease of \$3.8 million compared to the RC3 appropriation. (Page 14, Line 20)
- \$6.9 million for continued restoration of the Capitol Building. (Page 14, Line 27)

**EXECUTIVE SUMMARY  
NOTES ON BILLS AND AMENDMENTS**

**SENATE FILE 376  
FY 2009 BONDING AND INFRASTRUCTURE  
APPROPRIATION ADJUSTMENTS BILL**

**DEPARTMENT OF ADMINISTRATIVE  
SERVICES (CONTINUED)**

- \$850,000 for upgrades to the electrical distribution system serving the Capitol Complex. This is a decrease of \$3.6 million compared to the RC3 appropriation. (Page 14, Line 30)
- \$1.5 million for heating, ventilating, and air conditioning improvements at the Hoover State Office Building. (Page 14, Line 34)
- \$623,000 for costs associated with improvements to the Central Energy Plant. (Page 15, Line 2)
- \$165,000 for building security and firewall protection at the Hoover State Office Building. (Page 15, Line 5)
- \$15.0 million for major repairs and major maintenance at State facilities. (Page 15, Line 8)
- \$4.0 million for the purchase of the Mercy Capitol Hospital. This is an increase of \$600,000 compared to the RC3 appropriation. (Page 15, Line 14)
- \$829,000 for improvements to the Civil Commitment Unit for Sexual Offenders at Cherokee. (Page 15, Line 21)
- \$770,000 for restoration and renovation, including major repairs and maintenance at Terrace Hill. (Page 15, Line 24)
- \$870,000 for renovation of dormitory buildings. (Page 15, Line 28)

**DEPARTMENT FOR THE BLIND  
DEPARTMENT OF CORRECTIONS**

- \$5.3 million for the expansion of the community-based correctional facility at Sioux City. (Page 15, Line 34)
- \$4.1 million for the expansion of the community-based correctional facility at Ottumwa. (Page 16, Line 3)
- \$6.0 million for the expansion of the community-based correctional facility at Waterloo. (Page 16, Line 6)
- \$2.1 million for the expansion of the community-based correctional facility at Davenport. (Page 16, Line 9)
- \$18.1 million for the expansion of the community-based correctional facility at Des Moines, including land acquisition for the facility. This appropriation is new and was not part of the FY 2009 RC3 appropriations. (Page 16, Line 12)

**EXECUTIVE SUMMARY  
NOTES ON BILLS AND AMENDMENTS**

**SENATE FILE 376  
FY 2009 BONDING AND INFRASTRUCTURE  
APPROPRIATION ADJUSTMENTS BILL**

**DEPARTMENT OF CORRECTIONS  
(CONTINUED)**

- \$47.5 million for expansion of the Iowa Correctional Institution for Women at Mitchellville. (Page 16, Line 27)

**DEPARTMENT OF EDUCATION**

- \$12.5 million for remodeling of the kitchens in the correctional facilities at Mount Pleasant and Rockwell City. (Page 16, Line 30)

**DEPARTMENT OF NATURAL  
RESOURCES**

- \$2.0 million for major renovation and repair, including health, life, and fire safety needs, and for compliance with the federal Americans with Disabilities Act, for community college buildings. (Page 16, Line 33)
- \$750,000 for infrastructure improvements at Volga River Recreation Area. (Page 17, Line 8)
- \$500,000 for improvements at Levi Carter Lake. (Page 17, Line 13)
- Deappropriates \$4.9 million for construction costs associated with opening of the Honey Creek Premier Destination Park. (Page 17, Line 24)

**BOARD OF REGENTS**

- \$8.6 million for lake restoration and dredging projects. (Page 18, Line 9 through Page 19, Line 21)
- \$2.0 million for major renovations, major repairs, and other needs related to Iowa Public Radio. (Page 19, Line 22)

**STATE FAIR AUTHORITY**

- \$8.0 million for construction of an agricultural exhibition center and other infrastructure improvements at the Iowa State Fairgrounds. This is an increase of \$3.0 million from the RC3 appropriation. (Page 19, Line 26)

**DEPARTMENT OF  
TRANSPORTATION**

- \$2.2 million for the Public Transit Infrastructure Grant Fund to assist capital projects at the 35 public transit agencies throughout the State. (Page 19, Line 33)
- \$1.5 million for infrastructure improvements at the State's commercial service airports. (Page 20, Line 2)

**DEPARTMENT OF VETERANS  
AFFAIRS**

- \$20.6 million for matching funds for construction and other improvements associated with the Iowa Veterans Home Master Plan. (Page 20, Line 20)
- Deappropriates \$100,000 for a memorial plaza honoring veterans from the Dubuque area. This project was funded by a transfer from the Veterans County Grant Program. (Page 20, Line 26)

**REVERSION**

- Changes the reversion date for appropriations from the end of FY 2012 to the end of FY 2013. (Page 21, Line 1)

**EFFECTIVE DATE**

- Specifies that Division III takes effect on enactment. (Page 21, Line 19)

Senate File 376 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
1	3	1	Adds	Sec. 12.87	Authorization for Annual Appropriation Bonds
8	24	2	Adds	Sec 12.88(1)	Creation of Annual Appropriation Bonds Debt Service Fund
9	1	2	Adds	Sec. 12.88(2)	Establishes Reserve Fund
9	14	2	Adds	Sec. 12.88(3)	Retention of Interest Earnings
9	18	3	Adds	Sec. 12.89(1 - 4)	Establishes Appropriation Bonds Capitals Fund
10	4	3.5	Adds	Sec. 12.89(5)	Reporting Requirement
10	19	5	Amends	Sec. 263A.2	Eliminates Requirement for Board of Regents Hospital Revenue Bonding Authorization
11	2	6	Amends	Sec. 263A.3	Authorizes Private Sale of Bonds
12	10	7	Amends	Sec. 263A.4	Regents Bonding Authorization
13	21	8 & 9	Amends	Sec. 277, Chap. 1175, 2004 Iowa Acts and Sec. 1, Chap. 205, 2007 Iowa Acts	Project Definition Expanded - Academic Revenue Bonds
14	8	11	Amends	Sec 18, Chap. 1179, 2008 Iowa Acts	Changes Funding Source for FY 2009 RC3 Projects to the ABC Fund
14	20	12	Amends	Sec. 18.1(b), Chap. 1179, 2008 Iowa Acts	FY 2009 Appropriation Adjustment
14	30	12	Amends	Sec. 18.1(d), Chap. 1179, 2008 Iowa Acts	FY 2009 Appropriation Adjustment
15	14	12	Amends	Sec. 18.1(i), Chap. 1179, 2008 Iowa Acts	FY 2009 Appropriation Adjustment
17	24	13	Amends	Sec. 18.5(c), Chap. 1179, 2008 Iowa Acts	Deappropriation of FY 2009 Funds
19	26	13	Amends	Sec. 18.7, Chap. 1179, 2008 Iowa Acts	FY 2009 Appropriation Adjustment
20	26	13	Amends	Sec. 18.9(b), Chap. 1179, 2008 Iowa Acts	Deappropriation of FY 2009 Funds

Page #	Line #	Bill Section	Action	Code Section	Description
20	29	14	Amends	Sec. 19, Chap. 1179, 2008 Iowa Acts	Technical Correction for Consistency
21	1	14	Amends	Sec. 20, Chap 1179, 2008 Iowa Acts	Nonreversion of Funds



1 1 DIVISION I  
1 2 APPROPRIATIONS BONDING

Division I creates a new Section in Chapter 12, Code of Iowa that authorizes the issuance of appropriation bonds. In addition, the Division creates two Sections that create funds related to the issuance of appropriation bonds.

1 3 Section 1. NEW SECTION . 12.87 ANNUAL APPROPRIATION  
1 4 BONDS.

CODE: Defines "annual appropriation bonds," "appropriation," and "authorizing documents" for purposes of Section 12.87, Code of Iowa.

1 5 1. As used in this section, unless the context otherwise  
1 6 requires:  
1 7 a. "Annual appropriation bonds" means bonds, notes, or  
1 8 other evidences of obligations of the state which may be  
1 9 payable during a fiscal year from one or more of the following  
1 10 sources, subject to the limitations contained in this section:  
1 11 (1) Moneys appropriated by law for the payment of debt  
1 12 service due with respect to the annual appropriation bonds  
1 13 during that fiscal year.  
1 14 (2) Proceeds of the sale of the annual appropriation  
1 15 bonds.  
1 16 (3) Payments received under authorizing documents and  
1 17 other agreements and ancillary arrangements entered into with  
1 18 respect to the annual appropriation bonds.  
1 19 (4) Investment earnings on amounts described in  
1 20 subparagraphs (1) through (3).  
1 21 b. "Appropriation" means an act of appropriation by the  
1 22 general assembly which has become law by approval of the  
1 23 governor or otherwise.  
1 24 c. "Authorizing documents" means a trust indenture,  
1 25 resolution, or other instrument pursuant to which annual  
1 26 appropriation bonds are issued in accordance with the  
1 27 provisions of this section and setting forth the terms and  
1 28 conditions thereof.

1 29 2. The treasurer of state is authorized to issue and sell  
1 30 annual appropriation bonds on behalf of the state to provide  
1 31 funds for certain capital projects and other purposes as  
1 32 provided in subsection 4 and to refund any annual

CODE: Authorizes the Treasurer of State to issue and sell appropriation bonds to provide for capital projects and to refund the appropriation bonds as necessary.

DETAIL: The issuance of appropriation bonds is, in part, an

1 33 appropriation bonds previously issued, and shall have all  
 1 34 powers necessary and convenient to carry out the treasurer of  
 1 35 state's duties, and exercise the treasurer of state's  
 2 1 authority, under this section.

alternative to the planned tobacco securitization that has not occurred due to market conditions. The market for tobacco securitization reflected interest rates above 9.00%, while in comparison, the market for appropriation bonds projects interest rates at approximately 4.70%. Appropriation bonds are a special type of limited obligation bonds that do not require the State to pledge its full faith and credit through taxes and resources as would be required for a General Obligation bond. Appropriation bonds do not require a designated revenue stream as does a typical revenue bond, thus the State may opt for any source of funds for repayment. Appropriation bonds are expressly conditioned on the State making an affirmative act to appropriate funds for repayment each fiscal year

2 2 3. Annual appropriation bonds may be issued and sold in  
 2 3 one or more series on the terms and conditions the treasurer  
 2 4 of state determines to be in the best interest of the state,  
 2 5 in accordance with this section in such amounts as the  
 2 6 treasurer of state determines to be necessary to fund the  
 2 7 purposes for which such annual appropriation bonds are issued.  
 2 8 The treasurer of state may issue annual appropriation bonds in  
 2 9 amounts which provide aggregate net proceeds of not more than  
 2 10 one hundred seventy-five million dollars, excluding any annual  
 2 11 appropriation bonds issued to refund outstanding annual  
 2 12 appropriation bonds issued under this section.

CODE: Sets the maximum aggregate net proceeds amount at \$175,000,000 excluding any refunding of outstanding annual appropriation bonds.

DETAIL: In contrast to revenue bonds, appropriation bonds are marketable without a reserve fund. For a revenue bond, the source of repayment is a designated revenue stream and the debt service reserve fund is needed to protect bondholders in case the revenue stream is inadequate. For appropriation bonds, the source of funds for repayment is flexible and bondholders may not require a reserve fund. The estimated debt service payments depend on whether or not the reserve fund is necessary.

FISCAL IMPACT: As the bonds are issued, interest will be capitalized, so the first debt service payment will be due in FY 2011. The FY 2011 payment is estimated to be \$9,250,000 if a debt service reserve fund is needed and \$9,032,000 if the reserve fund is not needed. Debt service on the proposed bonds from FY 2012 through FY 2033 is estimated to be \$13,940,000 per year with a reserve fund and \$13,390,000 without a reserve fund. The last bond payment is expected to be in FY 2033. Total debt for the new bonds is expected to be between \$303,600,000 and \$316,200,000, depending on whether the reserve fund is needed.

2 13 4. The treasurer of state may issue annual appropriation

CODE: Authorizes the Treasurer of State to issue appropriation

2 14 bonds as the treasurer of state determines necessary or  
2 15 desirable to pay for expenditures for capital projects which  
2 16 qualify as vertical infrastructure projects as defined in  
2 17 section 8.57, subsection 6, paragraph "c", to the extent  
2 18 practicable in any fiscal year and without limiting other  
2 19 qualifying capital expenditures considered and approved by a  
2 20 constitutional majority of each house of the general assembly  
2 21 and the governor and to provide sufficient funds for the  
2 22 payment of interest on the annual appropriation bonds, the  
2 23 establishment of reserves with respect to the annual  
2 24 appropriation bonds, the payment of costs of issuance of the  
2 25 annual appropriation bonds, the payment of other expenditures  
2 26 of the treasurer of state incident to and necessary or  
2 27 convenient in connection with the issuance of the annual  
2 28 appropriation bonds, and the payment of all other expenditures  
2 29 necessary or convenient to carry out the purposes for which  
2 30 the annual appropriation bonds are issued. The treasurer of  
2 31 state may enter into or obtain authorizing documents and other  
2 32 agreements and ancillary arrangements with respect to annual  
2 33 appropriation bonds as the treasurer of state determines to be  
2 34 in the best interests of the state, including but not limited  
2 35 to trust indentures, liquidity facilities, remarketing or  
3 1 dealer agreements, letter of credit agreements, insurance  
3 2 policies, guaranty agreements, reimbursement agreements,  
3 3 indexing agreements, or interest exchange agreements. Any  
3 4 authorizing document or other agreement or ancillary  
3 5 arrangements by which any moneys are pledged to the payment of  
3 6 annual appropriation bonds shall not be required to be  
3 7 recorded or filed under the uniform commercial code, chapter  
3 8 554, to be valid, binding, or effective.

3 9 5. Annual appropriation bonds shall be:  
3 10 a. In a form, issued in denominations, executed in a  
3 11 manner, and payable over terms and with rights of redemption,  
3 12 and be subject to such other terms and conditions as  
3 13 prescribed in their authorizing documents.  
3 14 b. Negotiable instruments under the laws of the state and

bonds to fund capital projects and to pay expenditures related to the issuance of the bonds. Authorizes the Treasurer of State to enter into certain agreements as determined to be in the best interests of the State with respect to appropriation bonds.

CODE: Specifies the form and attributes of annual appropriation bonds.

DETAIL: The language is consistent with other general and specific bonding powers for the Treasurer of State in Chapter 12, Code of Iowa.

3 15 may be sold at prices, at public or private sale, and in a  
3 16 manner, as prescribed by the treasurer of state. Chapters  
3 17 73A, 74, 74A, and 75 do not apply to the sale or issuance of  
3 18 the annual appropriation bonds.  
3 19 c. Subject to the terms, conditions, and covenants  
3 20 providing for the payment of the principal, redemption  
3 21 premiums, if any, interest, and other terms, conditions,  
3 22 covenants, and protective provisions safeguarding payment, not  
3 23 inconsistent with this section and as determined by their  
3 24 authorizing documents.  
3 25 d. Securities in which public officers and bodies of this  
3 26 state; political subdivisions of this state; insurance  
3 27 companies and associations and other persons carrying on an  
3 28 insurance business; banks, trust companies, savings  
3 29 associations, savings and loan associations, and investment  
3 30 companies; administrators, guardians, executors, trustees, and  
3 31 other fiduciaries; and other persons authorized to invest in  
3 32 bonds or other obligations of the state, may properly and  
3 33 legally invest funds, including capital, in their control or  
3 34 belonging to them.

3 35 6. Proceeds of annual appropriation bonds not required for  
4 1 immediate disbursement may be deposited with the treasurer of  
4 2 state or a trustee, paying agent, escrow agent, or depository  
4 3 as provided in the authorizing documents and may be invested  
4 4 or reinvested in any investment as directed by the treasurer  
4 5 of state and specified in such authorizing documents without  
4 6 regard to any limitation otherwise provided by law.

4 7 7. Annual appropriation bonds are payable in any fiscal  
4 8 year solely and only out of the moneys, assets, or revenues  
4 9 appropriated for such purposes by law for that fiscal year,  
4 10 all of which amounts, once appropriated, shall be deposited  
4 11 into the annual appropriation bonds debt service fund and used  
4 12 or transferred as provided in this section to pay debt service  
4 13 due with respect to annual appropriation bonds during the

CODE: Authorizes proceeds from the appropriation bonds that are not required for immediate disbursement to be invested or reinvested in any investment as directed by the Treasurer of State.

DETAIL: The language is consistent with the Uniform Finance Procedures for State-Issued Bonds in accordance with Chapter 12A, Code of Iowa.

CODE: Specifies the annual debt service on appropriation bonds is payable solely from the moneys appropriated for a certain fiscal year. Specifies the bonds are not a debt of the State, or a charge against the general credit or State General Fund. Annual appropriation bonds do not obligate the State to make payments beyond any fiscal year for which funds have been appropriated.

DETAIL: Appropriation bonds are expressly conditioned on an

4 14 fiscal year for which such amounts are appropriated. Annual  
4 15 appropriation bonds are not an obligation, indebtedness, or  
4 16 debt of the state, or a charge against the general credit or  
4 17 general fund of the state, and the state shall not be liable  
4 18 for the payment of any amounts due under any annual  
4 19 appropriation bonds except from moneys appropriated by law for  
4 20 the payment thereof as provided under this section. The  
4 21 annual appropriation bonds are not secured by any pledge of  
4 22 the faith and credit or the taxing powers of the state.  
4 23 Annual appropriation bonds shall not directly or indirectly  
4 24 obligate the state to make payments thereon beyond any fiscal  
4 25 year for which sufficient funds have been appropriated by law  
4 26 for such purpose.

4 27 8. In the event that funds are not appropriated for any  
4 28 fiscal year in an amount sufficient to make the payments of  
4 29 principal and interest and any other amounts due under the  
4 30 annual appropriation bonds during such fiscal year all of the  
4 31 following shall apply:  
4 32 a. The state's obligations under the annual appropriation  
4 33 bonds shall terminate and become null and void on the last day  
4 34 of the fiscal year for which funds were appropriated in an  
4 35 amount sufficient to make the payments of principal and  
5 1 interest and any other amounts due under the annual  
5 2 appropriation bonds for such fiscal year.  
5 3 b. The state shall not be obligated to make payment from  
5 4 any source of any amounts due under the annual appropriation  
5 5 bonds beyond those amounts for which an appropriation has  
5 6 previously been made.  
5 7 c. The state shall not be liable to the holders of the  
5 8 annual appropriation bonds or any other person for any  
5 9 remaining amounts due under the annual appropriation bonds or  
5 10 for any costs, damages, or expenses incurred by the holders of  
5 11 the annual appropriation bonds or any other person as a result  
5 12 of such failure to appropriate. Annual appropriation bonds,  
5 13 the repayment thereof and any reserve and debt service funds  
5 14 established with respect thereto shall be subject to

affirmative act by the State to make an appropriation for repayment each fiscal year. The bonds are a special limited obligation that does not constitute a debt obligation within the meaning of Article VII of the Iowa Constitution. The State's limited liability is solely for payments of amounts due that have already been appropriated to the Treasurer of State for the debt service payments on the appropriation bonds. Beyond any fiscal year that sufficient funds have been appropriated for the purpose of paying the debt service, the State is not obligated to make further payments.

CODE: Specifies that if the funds are not appropriated for a fiscal year, the State will not be obligated to make a payment from any source of any amounts beyond the amount of the previous appropriation. The State will not be held liable for the debt or any repercussions from the lack of an appropriation for payment of the debt service. Annual appropriation bonds are subject to nonappropriation and are expressly conditioned on the State appropriating funds for repayment. Any annual appropriation bonds will include a statement for the bondholders stating the limitations of the State's liability.

5 15 nonappropriation. Annual appropriation bonds issued under  
5 16 this section shall contain a conspicuous statement of the  
5 17 limitations established in this subsection.

5 18 9. Annual appropriation bonds issued under this section  
5 19 are declared to be issued for an essential public and  
5 20 governmental purpose and all annual appropriation bonds issued  
5 21 under this section shall be exempt from taxation by the state  
5 22 of Iowa and the interest on the annual appropriation bonds  
5 23 shall be exempt from the state income tax and the state  
5 24 inheritance tax.

CODE: Specifies that appropriation bonds will be tax-exempt.

5 25 10. In order to better provide for the budgeting and  
5 26 appropriation of sufficient amounts to make the payments due  
5 27 with respect to annual appropriation bonds in any fiscal year  
5 28 and to fund or restore reserve funds established with respect  
5 29 to annual appropriation bonds, if any, the treasurer of state  
5 30 shall, on or before January 1 of each calendar year, make and  
5 31 deliver to the governor and to both houses of the general  
5 32 assembly the treasurer of state's certificate that includes  
5 33 all of the following:

5 34 a. A statement of the amount required to make the payments  
5 35 due with respect to annual appropriation bonds in the next  
6 1 succeeding fiscal year and the amount, if any, required to  
6 2 fund or restore any reserve fund to the reserve fund  
6 3 requirement for that reserve fund.

6 4 b. A request that budget and appropriation bills approved  
6 5 for such fiscal year include amounts sufficient to make the  
6 6 payments due with respect to annual appropriation bonds during  
6 7 that fiscal year and to fund or restore any reserve fund to  
6 8 the reserve fund requirement for that reserve fund.

CODE: Requires the Treasurer of State to report annually by January 1 to the Governor and the General Assembly the amount needed to make the payments for the debt service in the next fiscal year and any amount required to restore the reserve funds. Requires the Treasurer of State to request annually sufficient funds for the debt service payments.

DETAIL: Estimated debt service payments for FY 2012 through FY 2033 are expected to be between \$13,390,000 and \$13,940,000, depending on whether a reserve fund is needed. The Treasurer of State will certify the amount needed for payments each year so the General Assembly will be able to appropriate the exact amount for that fiscal year.

6 9 11. If, after amounts have been appropriated for a fiscal  
6 10 year to make payment of principal and interest and any other  
6 11 amounts due with respect to the annual appropriation bonds for  
6 12 such fiscal year and to fund or restore any reserve fund to

CODE: Requires the Treasurer of State to report to the Governor and General Assembly the amount of the deficiency, if it is determined that the appropriations provided to make payments on the debt service or to restore or fund any reserve funds are insufficient for that fiscal year.

6 13 the reserve fund requirement for that reserve fund, the  
6 14 treasurer of state determines that the amounts appropriated  
6 15 for such purposes are insufficient for any reason, the  
6 16 treasurer of state shall make and deliver to the governor and  
6 17 to both houses of the general assembly the treasurer of  
6 18 state's certificate that includes a statement of the amount of  
6 19 the deficiency and a request for an additional appropriation  
6 20 for such fiscal year to make up such deficiency.

6 21 12. Any amounts appropriated by law from the general fund  
6 22 of the state or any other legally available funds to make the  
6 23 payments due with respect to annual appropriation bonds for a  
6 24 fiscal year shall be paid to the treasurer of state on or  
6 25 after the first business day of such fiscal year in as many  
6 26 installments as are needed to accumulate the total amount so  
6 27 appropriated as soon as funds become legally available and  
6 28 such amounts, as received, shall be deposited by the treasurer  
6 29 of state in the annual appropriation bonds debt service fund.

CODE: Requires the appropriation for payments on the debt service to be made to the Treasurer of State in as many installments as necessary to ensure the full amount is available to be deposited by the Treasurer of State in the Annual Appropriation Bonds Debt Service Fund.

DETAIL: This language was included to ensure that transfer of the funds in accordance with the approved appropriation would be done in a timely manner so the Treasurer of State will have enough in the debt service fund to pay the June and December payments.

6 30 13. Any amounts appropriated by law to fund or restore any  
6 31 reserve fund shall be paid to the treasurer of state as soon  
6 32 as funds become legally available and shall be deposited by  
6 33 the treasurer of state in the applicable reserve fund. For  
6 34 any fiscal year for which amounts have been lawfully  
6 35 appropriated in an amount sufficient to make payment of  
7 1 principal and interest and any other amounts due with respect  
7 2 to annual appropriation bonds for such fiscal year, to the  
7 3 extent that appropriated funds have not become fully available  
7 4 so that amounts deposited into the annual appropriation bonds  
7 5 debt service fund are not sufficient to make such payment when  
7 6 due, any moneys on deposit in a reserve fund established with  
7 7 respect to the annual appropriation bonds may be transferred  
7 8 to the annual appropriation bonds debt service fund and used  
7 9 to make such payments, subject to the provisions of this  
7 10 section.

CODE: Requires any amounts appropriated to restore the reserve fund be paid to the Treasurer of State. Authorizes the Treasurer of State to transfer funds from the reserve fund to the Annual Appropriation Bonds Debt Service Fund for payments on the debt service, if appropriated funds are not fully available.

DETAIL: Appropriation bonds may not require a reserve fund; however, the Bill provides authorization for the Treasurer of State to manage the reserve fund if one is necessary.

7 11 14. The treasurer of state may from time to time issue  
7 12 annual appropriation bonds for the purpose of refunding any  
7 13 annual appropriation bonds then outstanding, including the  
7 14 payment of any redemption premiums thereon and any interest  
7 15 accrued or to accrue to the date of redemption of the  
7 16 outstanding annual appropriation bonds. Until the proceeds of  
7 17 annual appropriation bonds issued for the purpose of refunding  
7 18 outstanding annual appropriation bonds are applied to the  
7 19 purchase or retirement of outstanding annual appropriation  
7 20 bonds or the redemption of outstanding annual appropriation  
7 21 bonds, the proceeds may be placed in escrow and be invested  
7 22 and reinvested in accordance with the provisions of this  
7 23 section, the authorizing documents, and any applicable escrow.  
7 24 The interest, income, and profits earned or realized on an  
7 25 investment may also be applied to the payment of the  
7 26 outstanding annual appropriation bonds to be refunded by  
7 27 purchase, retirement, or redemption. After the terms of the  
7 28 escrow have been fully satisfied and carried out, any balance  
7 29 of proceeds and interest earned or realized on the investments  
7 30 shall be returned to the general fund of the state. All  
7 31 refunding annual appropriation bonds shall be issued and  
7 32 subject to the provisions of this section in the same manner  
7 33 and to the same extent as other annual appropriation bonds  
7 34 issued pursuant to this section.

7 35 15. a. It is the intent of the general assembly that the  
8 1 general assembly make timely appropriations from moneys in the  
8 2 general fund of the state or any other legally available funds  
8 3 that are sufficient to make payment of principal and interest  
8 4 and any other amounts due with respect to annual appropriation  
8 5 bonds in a fiscal year and to fund or restore any reserve fund  
8 6 established with respect to the annual appropriation bonds to  
8 7 the reserve fund requirement for that reserve fund.  
8 8 b. This section does not create and shall not be construed  
8 9 as creating a general, legal, or enforceable obligation of the  
8 10 general assembly to appropriate any moneys for any fiscal year  
8 11 for any of the foregoing purposes and the decision to

CODE: Authorizes the Treasurer of State to refund outstanding appropriation bonds.

DETAIL: This language is consistent with other specific and general bonding powers in Chapters 12 and 12A, Code of Iowa. Refunding allows the Treasurer of State to leverage lower interest rates for outstanding bonds. The federal Internal Revenue Code provides that tax-exempt bonds may be refunded one time. According to the Treasurer of State, refunding would occur only if it would result in either a decrease in debt service payments or maintaining the same amount for debt service payments while generating more proceeds for the State.

CODE: Specifies the intent of the General Assembly to make timely appropriations to pay the debt service and to fund or restore any reserve fund that is established for purposes of annual appropriation bonds. Specifies that the intent language does not create and is not to be construed as creating a general, legal, or enforceable obligation. The decision to appropriate funds is at the complete discretion of the respective General Assembly and the Governor for each fiscal year.



8 12 appropriate such moneys for any fiscal year shall be at the  
8 13 complete discretion of the then current general assembly and  
8 14 governor who shall have the final responsibility for making  
8 15 such decisions.

8 16 16. Neither the treasurer of state nor any person acting  
8 17 on behalf of the treasurer of state, while acting within the  
8 18 scope of their employment or agency, is subject to personal  
8 19 liability resulting from carrying out the powers and duties  
8 20 conferred by this section.

CODE: Specifies that the Treasurer of State, or any person acting on behalf of the Treasurer, will not be subject to personal liability in executing the powers and duties in accordance with this Section.

8 21 17. Amounts appropriated pursuant to this section are not  
8 22 subject to a uniform reduction in accordance with section  
8 23 8.31.

CODE: Specifies that funds appropriated for purposes of payments on the debt service for appropriation bonds are not subject to across-the-board reductions.

8 24 Sec. 2. NEW SECTION . 12.88 ANNUAL APPROPRIATION BONDS  
8 25 DEBT SERVICE FUND AND RESERVE FUNDS.

8 26 1. An annual appropriation bonds debt service fund is  
8 27 created and established as a separate and distinct fund in the  
8 28 state treasury. Any amounts lawfully appropriated to make  
8 29 payments due with respect to annual appropriation bonds for a  
8 30 fiscal year shall be deposited into the annual appropriation  
8 31 bonds debt service fund and used by the treasurer of state or  
8 32 transferred to a trustee, paying agent, escrow agent, or  
8 33 depository as provided in the authorizing documents to make  
8 34 payments due with respect to the annual appropriation bonds  
8 35 for that fiscal year.

CODE: Creates an Annual Appropriation Bonds Debt Service Fund for purposes of receiving the appropriations that are intended to pay the debt service on any outstanding appropriation bonds for each fiscal year.

9 1 2. The treasurer of state may create and establish one or  
9 2 more reserve funds with respect to the annual appropriation  
9 3 bonds to be used as provided in section 12.87 and the  
9 4 authorizing documents. The treasurer of state shall pay into  
9 5 any reserve fund any moneys appropriated by law to fund or

CODE: Authorizes the Treasurer of State to create one or more reserve funds for purposes of issuing appropriation bonds.

DETAIL: Appropriation bonds may not require a reserve fund, but this authorization allows the Treasurer of State to create reserve funds as necessary.

9 6 restore the reserve fund, any proceeds of the sale of the  
9 7 annual appropriation bonds to the extent provided in the  
9 8 authorizing documents, and any other moneys which may be  
9 9 legally available to the treasurer of state for the purpose of  
9 10 the reserve fund. Moneys in any reserve fund established with  
9 11 respect to annual appropriation bonds, excluding the annual  
9 12 appropriations debt service fund, are not subject to section  
9 13 8.33.

9 14 3. Notwithstanding section 12C.7, subsection 2, interest  
9 15 or earnings on moneys in any funds or accounts established  
9 16 with respect to annual appropriation bonds shall be credited  
9 17 to the applicable fund or reserve fund.

CODE: Provides that the Annual Appropriation Bonds Debt Service Fund and any reserve funds will retain interest earned as a revenue source for the respective funds.

9 18 Sec. 3. NEW SECTION . 12.89 APPROPRIATION BONDS CAPITALS  
9 19 FUND.

9 20 1. An appropriation bonds capitals fund is created as a  
9 21 separate fund in the state treasury. Moneys in the fund shall  
9 22 not be subject to appropriation for any other purpose by the  
9 23 general assembly, but shall be used only for the purposes of  
9 24 the appropriation bonds capitals fund.

9 25 2. Revenue for the fund shall consist of the net proceeds  
9 26 from the bonds issued pursuant to section 12.87.

9 27 3. Moneys in the fund in a fiscal year shall be used as  
9 28 appropriated by the general assembly for capital projects that  
9 29 qualify as vertical infrastructure projects as defined in  
9 30 section 8.57, subsection 6, paragraph "c", to the extent  
9 31 practicable in any fiscal year and without limiting other  
9 32 qualifying capital expenditures considered and approved by a  
9 33 constitutional majority of each house of the general assembly  
9 34 and the governor.

9 35 4. Moneys credited to the fund are not subject to section  
10 1 8.33. Notwithstanding section 12C.7, subsection 2, interest  
10 2 or earnings on moneys in the fund shall be credited to the  
10 3 fund.

CODE: Creates the Appropriation Bonds Capitals (ABC) Fund to receive net proceeds from appropriation bonds issued. Specifies that the ABC Fund will be used for infrastructure projects that meet the definition of vertical infrastructure in Section 8.57(6)(c), Code of Iowa, to the extent practicable. Specifies interest earned on the Fund will be credited to the Fund.

10 4 5. Annually, on or before January 15 of each year, a state

CODE: Requires an annual infrastructure report for appropriations

10 5 agency that received an appropriation from the appropriation  
 10 6 bonds capitals fund shall report to the legislative services  
 10 7 agency and the department of management the status of all  
 10 8 projects completed or in progress. The report shall include a  
 10 9 description of the project, the work completed, the total  
 10 10 estimated cost of the project, a list of all revenue sources  
 10 11 being used to fund the project, the amount of funds expended,  
 10 12 the amount of funds obligated, and the date the project was  
 10 13 completed or an estimated completion date of the project,  
 10 14 where applicable.

received from the ABC Fund by January 15.

DETAIL: This infrastructure status report is consistent with State reporting requirements for appropriations from any of the infrastructure and technology-related funds.

10 15 Sec. 4. EFFECTIVE DATE. This division of this Act, being  
 10 16 deemed of immediate importance, takes effect upon enactment.

CODE: Provides that all Sections of Division I are effective on enactment.

10 17 DIVISION II  
 10 18 REGENTS BONDING

Division II alters the bonding authority and project definition for revenue bonds for the Board of Regents.

10 19 Sec. 5. Section 263A.2, Code 2009, is amended to read as  
 10 20 follows:  
 10 21 263A.2 AUTHORIZATION OF GENERAL ASSEMBLY AND GOVERNOR.  
 10 22 Subject to and in accordance with the provisions of this  
 10 23 chapter, the state board of regents ~~after authorization by a~~  
 10 24 ~~constitutional majority of the general assembly and approval~~  
 10 25 ~~by the governor~~ may undertake and carry out any project as  
 10 26 defined in this chapter at the state university of Iowa. The  
 10 27 state board of regents is authorized to operate, control,  
 10 28 maintain, and manage buildings and facilities and additions to  
 10 29 such buildings and facilities at said institution. All  
 10 30 contracts for the construction, reconstruction, completion,  
 10 31 equipment, improvement, repair, or remodeling of any  
 10 32 buildings, additions, or facilities shall be let in accordance  
 10 33 with the provisions of section 262.34. The title to all real  
 10 34 estate acquired under the provisions of this chapter and the  
 10 35 improvements erected thereon shall be taken and held in the

CODE: Eliminates the requirement for the Board of Regents to receive authorization from the General Assembly and the Governor before issuing hospital revenue bonds for the medical and hospital buildings at the University of Iowa.

11 1 name of the state of Iowa.

11 2 Sec. 6. Section 263A.3, unnumbered paragraph 1, Code 2009,  
11 3 is amended to read as follows:

11 4 The board is authorized to borrow money and to issue and  
11 5 sell negotiable bonds or notes to pay all or any part of the  
11 6 cost of carrying out any project at the institution and to  
11 7 refund and refinance bonds or notes issued for any project or  
11 8 for refunding purposes at the same rate or at a lower rate.  
11 9 ~~Such bonds or notes shall be sold by the board at public sale~~  
11 10 ~~on the basis of sealed proposals received pursuant to a notice~~  
11 11 ~~specifying the time and place of sale and the amount of bonds~~  
11 12 ~~to be sold which shall be published at least once not less~~  
11 13 ~~than seven days prior to the date of sale in a newspaper~~  
11 14 ~~published in the state of Iowa and having a general~~  
11 15 ~~circulation in the state. The provisions of chapter 75 shall~~  
11 16 ~~not apply to bonds or notes issued under authority contained~~  
11 17 ~~in this chapter, but such bonds or notes shall be sold upon~~  
11 18 ~~terms of not less than par plus accrued interest. The bonds~~  
11 19 ~~or notes issued under this chapter may be sold at public sale~~  
11 20 ~~as provided in chapter 75, but if the board finds it advisable~~  
11 21 ~~and in the public interest to do so, such bonds or notes may~~  
11 22 ~~be sold by the board at private sale without published notice~~  
11 23 ~~of any kind and without regard to the requirements of chapter~~  
11 24 ~~75.~~ Bonds or notes issued to refund other bonds or notes  
11 25 issued under the provisions of this chapter may either be sold  
11 26 in the manner specified in this chapter and the proceeds  
11 27 thereof applied to the payment of the obligations being  
11 28 refunded, or the refunding bonds or notes may be exchanged for  
11 29 and in payment and discharge of the obligations being  
11 30 refunded. The refunding bonds or notes may be sold or  
11 31 exchanged in installments at different times or an entire  
11 32 issue or series may be sold or exchanged at one time. Any  
11 33 issue or series of refunding bonds or notes may be exchanged  
11 34 in part or sold in parts in installments at different times or  
11 35 at one time. The refunding bonds or notes may be sold or  
12 1 exchanged at any time on, before, or after the maturity of any

CODE: Authorizes the Board of Regents to sell bonds or notes at a private sale without published notice if the Board finds it advisable.

12 2 of the outstanding notes, bonds, or other obligations to be  
12 3 refinanced thereby and may be issued for the purpose of  
12 4 refunding a like or greater principal amount of bonds or  
12 5 notes, except that the principal amount of the refunding bonds  
12 6 or notes may exceed the principal amount of the bonds or notes  
12 7 to be refunded to the extent necessary to pay any premium due  
12 8 on the call of the bonds or notes to be refunded or to fund  
12 9 interest in arrears or about to become due.

12 10 Sec. 7. Section 263A.4, Code 2009, is amended to read as  
12 11 follows:

12 12 263A.4 BONDS OR NOTES PROVISIONS.

12 13 Such bonds or notes may bear such date or dates, may bear  
12 14 interest at such rate or rates, payable semiannually, may  
12 15 mature at such time or times, may be in such form and  
12 16 denominations, carry such registration privileges, may be  
12 17 payable at such place or places, may be subject to such terms  
12 18 of redemption prior to maturity with or without premium, if so  
12 19 stated on the face thereof, and may contain such terms and  
12 20 covenants, including the establishment of reserves, all as may  
12 21 be provided by this chapter, section 76.17, and the resolution  
12 22 of the board authorizing the issuance of the bonds or notes.  
12 23 In addition to the estimated cost of construction, including  
12 24 site costs, the cost of the project may include interest upon  
12 25 the bonds or notes during construction and for six months  
12 26 after the estimated completion date, the compensation of a  
12 27 fiscal agent or adviser, engineering, architectural,  
12 28 administrative, and legal expenses and provision for  
12 29 contingencies. Such bonds or notes shall be executed by the  
12 30 president of the state board of regents and attested by the  
12 31 executive director, secretary, or other official thereof  
12 32 performing the duties of executive director, and the coupons  
12 33 thereto attached shall be executed with the original or  
12 34 facsimile signatures of said president, executive director,  
12 35 secretary, or other official; provided, however, that the  
13 1 facsimile signature of either of such officers executing such  
13 2 bonds may be imprinted on the face of the bonds in lieu of the

CODE: Specifies that the Board of Regents may issue hospital revenue bonds with certain interest rates, terms, and covenants as provided by a resolution of the Board, or in accordance with Chapter 263A, Code of Iowa, or Section 76.17, Code of Iowa.

13 3 manual signature of such officer, but at least one of the  
13 4 signatures appearing on the face of each bond shall be a  
13 5 manual signature. Any bonds or notes bearing the signatures  
13 6 of officers in office on the date of the signing thereof shall  
13 7 be valid and binding for all purposes, notwithstanding that  
13 8 before delivery thereof any or all such persons whose  
13 9 signatures appear thereon shall have ceased to be such  
13 10 officers. Each such bond or note shall state upon its face  
13 11 the name of the institution on behalf of which it is issued,  
13 12 that it is payable solely and only from hospital income  
13 13 received by such institution as provided in this chapter, and  
13 14 that it does not constitute a debt of or charge against the  
13 15 state of Iowa within the meaning or application of any  
13 16 constitutional or statutory limitation or provision. The  
13 17 issuance of such bonds or notes shall be recorded in the  
13 18 office of the treasurer of the institution, and a certificate  
13 19 by such treasurer to this effect shall be printed on the back  
13 20 of each such bond or note.

13 21 Sec. 8. 2004 Iowa Acts, chapter 1175, section 277, is  
13 22 amended by adding the following new subsection:  
13 23 NEW SUBSECTION . 5. DEFINITION. For purposes of  
13 24 subsection 3, paragraph "b", "project" means the same as  
13 25 defined in section 262A.2, subsection 6, and includes the  
13 26 construction of replacement facilities and flood recovery and  
13 27 flood mitigation expenses resulting from a disaster in an area  
13 28 included in a proclamation of disaster emergency in accordance  
13 29 with section 29C.6.  
13 30 Sec. 9. 2007 Iowa Acts, chapter 205, section 1, is amended  
13 31 by adding the following new subsection:  
13 32 NEW SUBSECTION . 4. DEFINITION. For purposes of  
13 33 subsection 2, paragraph "a", "project" means the same as  
13 34 defined in section 262A.2, subsection 6, and includes the  
13 35 construction of replacement facilities and flood recovery and  
14 1 flood mitigation expenses resulting from a disaster in an area  
14 2 included in a proclamation of disaster emergency in accordance  
14 3 with section 29C.6.

CODE: Expands the definition of "project" to include the construction of replacement facilities and flood recovery and flood mitigation expenses related to a disaster in a disaster emergency area as proclaimed by the Governor.

DETAIL: Permits the Board of Regents to use academic revenue bond proceeds for flood recovery projects. Senate File 2298 (FY 2005 Omnibus Appropriations Act) from the 2004 Legislative Session and HF 920 (Regents Bonding Act) from the 2007 Legislative Session authorized the Board to issue bonds totaling \$120,000,000 and \$131,400,000, respectively, for construction, reconstruction, and renovation of academic buildings and facilities at the three State universities. The revenue bonds are guaranteed by student tuition fees, but the General Assembly annually appropriates funds to the Board of Regents to pay the debt service and reduce tuition increases.

14 4 Sec. 10. EFFECTIVE DATE. This division of this Act, being  
14 5 deemed of immediate importance, takes effect upon enactment.

CODE: Provides that Division II is effective on enactment.

14 6 DIVISION III  
14 7 CHANGES TO PRIOR APPROPRIATIONS

Division III provides changes to prior appropriations. Generally, these changes represent funding shifts from the FY 2009 Tax-Exempt Restricted Capital Fund (RC3) to the ABC Fund.

14 8 Sec. 11. 2008 Iowa Acts, chapter 1179, section 18,  
14 9 unnumbered paragraph 1, is amended to read as follows:  
14 10 There is appropriated from the ~~FY 2009 tax-exempt bond~~  
14 11 ~~proceeds restricted capital funds account of the tobacco~~  
14 12 ~~settlement trust fund~~ appropriation bonds capitals fund  
14 13 pursuant to section ~~12E.12, subsection 1, paragraph "b",~~  
14 14 ~~subparagraph (1A) 12.89~~, as if enacted in this Act by the  
14 15 Eighty-third General Assembly, 2009 Session, to the following  
14 16 departments and agencies for the fiscal year beginning July 1,  
14 17 2008, and ending June 30, 2009, the following amounts, or so  
14 18 much thereof as is necessary, to be used for the purposes  
14 19 designated:

CODE: Changes FY 2009 appropriations by eliminating the reference to RC3 and substituting the ABC Fund in the legislation.

DETAIL: Senate File 2432 (FY 2009 Infrastructure Appropriations Act) appropriated \$182,794,698 from the RC3. These projects have been delayed because the planned securitization of the remaining tobacco payments has not occurred. This Bill restores funding by moving projects to the ABC Fund. The Bill appropriates \$174,161,620 from the ABC Fund for FY 2009, while simultaneously deappropriating \$162,794,698 from the RC3. House File 414 (FY 2009 Appropriation Adjustments Bill) deappropriates \$20,000,000 from the RC3 for a new State office building; therefore all of the FY 2009 appropriations from the RC3 have been addressed.

14 20 Sec. 12. 2008 Iowa Acts, chapter 1179, section 18,  
14 21 subsection 1, paragraphs b through k, are amended to read as  
14 22 follows:  
14 23 b. For renovations to the capitol complex utility tunnel  
14 24 system:  
14 25 ..... \$ ~~4,763,078~~  
14 26 1,000,000

CODE: An ABC Fund appropriation to the DAS for renovations to the Capitol Complex utility tunnel system.

DETAIL: This is a decrease \$3,763,078 compared to the FY 2009 RC3 appropriation. The tunnel project has been proposed as a multi-year project to renovate the existing utility tunnel system. The Department of Administrative Services (DAS) received \$260,000 in FY 2008 to complete a feasibility study that evaluated and prioritized improvements needed for the tunnel system. Recommendations provided a range of options, including the development of segregated tunnels for pedestrians and utilities. Estimates for the segregated tunnels were above \$30,000,000. The RC3 appropriation provided funding to complete necessary repairs and provide additional safety improvements. The DAS advises the \$1,000,000 will allow the Department to focus on the most critical repairs needed, including the relocation of the primary natural gas line.

14 27 c. For costs associated with capitol interior and exterior  
 14 28 restoration:  
 14 29 ..... \$ 6,900,000

CODE: An ABC Fund appropriation to the DAS for continued restoration of the Capitol Building.

DETAIL: This is an increase of \$600,000 compared to the FY 2008 appropriation. The capitol exterior and interior restoration has been an ongoing project, receiving approximately \$28,000,000 for FY 2005 to FY 2009. The funds are used to continue the restoration of the Capitol Building's interior and exterior, including: improvements and repairs to the sprinkler system, plaster, corridor finishes, fire systems, door security, building accessibility, and lighting. Other improvements will include restoration painting, installation of carpet, replacement of elevators, enclosing the rotunda's first floor opening, battle flag case restoration, sound systems, restoring tile in first floor corridors, restoring scagliola columns, restoring ceiling finishes, and installation of an irrigation system. Completed projects include the relocation of the cafeteria, areas of refuge established, east steps restored, and removal of all non-compliant mezzanines that did not meet fire, building, and life safety codes. Most water damage repair has been completed.

The DAS advises that in order to continue ongoing repairs and upkeep of the Capitol and grounds, additional funding will be needed in future years. In addition, there are places in the Capitol that are inaccessible to persons with disabilities and in violation of the federal Americans with Disabilities Act (ADA). Also, the DAS advises that areas of the Capitol that are not restored remain in non-compliance with fire, building, and life safety codes. Additional funding will be used to address ADA and fire, building and life safety code compliance. The DAS requested \$5,800,000 for FY 2010.

14 30 d. For upgrades to the electrical distribution system  
 14 31 serving the capitol complex:  
 14 32 ..... \$ 4,470,000  
 14 33 850,000

CODE: An ABC Fund appropriation to the DAS for upgrades to the electrical distribution system serving the Capitol Complex.

DETAIL: This is a decrease of \$3,620,000 to the FY 2009 RC3 appropriation. The electrical distribution system upgrade is a multi-year project. The DAS received \$5,312,679 in FY 2006, \$800,000 as an FY 2007 supplemental appropriation, and \$3,460,960 for FY 2008. The funds provide for continued repair, replacement, and upgrades to the primary electrical distribution system for the Capitol Complex, including replacement and relocation of transformers in the Capitol



Building and full generation for the Capitol Complex and specific generation improvements for Department of Public Health and Information Technology Enterprise. The work has been phased, but when the project is completed the entire primary loop system will be replaced or upgraded, including the installation of five new emergency generators. The FY 2009 ABC Fund appropriation will allow the DAS to complete the core project. Additional work for a co-generation turbine and a concrete barrier wall around the new backup generators is on hold pending future funding.

14 34 e. For heating, ventilating, and air conditioning  
 14 35 improvements in the Hoover state office building:  
 15 1 ..... \$ 1,500,000

CODE: An ABC Fund appropriation to the DAS for improvements to the Hoover State Office Building.

DETAIL: This is the second year of funding for this project. The Department received \$1,320,000 in FY 2008 from the RIIF. The funds will be used to replace old pneumatic controls with electronic monitoring for heating, ventilation, and air conditioning (HVAC) control throughout the Hoover State Office Building.

15 2 f. For costs associated with the central energy plant  
 15 3 addition and improvements:  
 15 4 ..... \$ 623,000

CODE: An ABC Fund appropriation to the DAS for design and construction services for improvements to the Central Energy Plant.

DETAIL: This is the second year of funding for a five-year project. The funds will be used for a series of improvements to the Central Energy Plant and Facilities Management Center that are estimated to total \$2,907,000. The FY 2008 appropriation of \$998,000 is being used for installation of dry cooling equipment and heat plate exchangers, conversion of the Capitol Building to the Central Energy Plant's year-round chilled water system, and installation of a system for metering utility consumption on the Capitol Complex. The FY 2009 funds will be used to expand the Facilities Management Center with additional storage and install a new facade on the Facilities Management Center and Central Energy Plant. The project will require an additional \$425,000 in FY 2010, \$545,000 in FY 2011, and \$316,000 for FY 2012 to complete the project.

15 5 g. For building security and firewall protection in the

CODE: An ABC Fund appropriation to the DAS for design and

15 6 Hoover state office building:  
 15 7 ..... \$ 165,000

construction services for improvements to building security and firewall protection at the Hoover State Office Building.

DETAIL: This was a new appropriation for FY 2009. The funds will be used to install firewalls on the second and fifth floors of the Hoover State Office Building. The new firewalls will provide fire safety barriers between the hallways and occupants.

15 8 h. For projects related to major repairs and major  
 15 9 maintenance for state buildings and facilities under the  
 15 10 purview of the department:  
 15 11 ..... \$ 15,000,000  
 15 12 Of the amount appropriated in this lettered paragraph, up  
 15 13 to \$1,000,000 may be used for demolition purposes.

CODE: An ABC Fund appropriation to the DAS for major repairs and improvements to State facilities throughout the State that are under the management of the Department.

DETAIL: This is a decrease of \$25,000,000 compared to the FY 2008 appropriation. The funds for major maintenance were previously enacted in HF 875 (FY 2006 Infrastructure Appropriations Act) for four fiscal years, including \$40,000,000 annually from the Vertical Infrastructure Fund for FY 2008 and FY 2009. Senate File 2432 (FY 2009 Infrastructure Appropriations Act), enacted during the 2008 Legislative Session, deappropriated the \$40,000,000 appropriation for FY 2009 and eliminated the Vertical Infrastructure Fund.

The funds are used to correct deficiencies in State buildings and make a wide range of repairs. The funds will be spent on projects selected and prioritized by the Governor's Vertical Infrastructure Advisory Committee. State agencies and the DAS staff work together to identify projects that will be presented to the Committee for funding consideration.

Authorizes the DAS to use up to \$1,000,000 of the major maintenance funding for demolition purposes.

15 14 i. For the purchase of Mercy capitol hospital:  
 15 15 ..... ~~\$ 3,400,000~~  
 15 16 3,950,000

CODE: An ABC Fund appropriation to the DAS for the purchase of the Mercy Capitol Hospital.

DETAIL: This is an increase of \$550,000 compared to the FY 2009 RC3 appropriation. The Department negotiated with the Catholic Health Initiatives - Iowa, Corp. for the purchase of the Mercy Capitol Hospital property, located north of the Capitol Complex. The total parcel to be purchased includes 4.7 acres of land for a price of

\$4,450,000. The purchase included an exchange of parking lots between the State and Mercy Capitol that occurred in May 2008. The purchase is expected to be completed in December 2009. The DAS was expected to use some of the FY 2009 Rebuild Iowa Infrastructure Fund (RIIF) appropriation for property acquisition, but those funds were transferred to the Iowa Finance Authority for the Jumpstart Housing Assistance Program. The additional funding in this Bill will allow the DAS to complete the purchase.

15 17 It is the intent of the general assembly that the  
15 18 department will use other appropriations made or other funds  
15 19 available to the department for the acquisition of buildings  
15 20 to complete the purchase of this building.

CODE: Specifies the intent of the General Assembly that the DAS will use other funds to complete the purchase of the Hospital.

DETAIL: The expectation is for DAS to use appropriations received for property acquisition. The DAS received \$500,000 in FY 2007 and \$1,000,000 in FY 2008 for property acquisition, in addition to the FY 2009 RIIF appropriation that was used for the Jumpstart Program. The DAS has obligated a portion of the FY 2007 and FY 2008 appropriations to complete the purchase of the Hospital.

15 21 j. For capital improvements at the civil commitment unit  
15 22 for a sexual offenders facility at Cherokee:  
15 23 ..... \$ 829,000

CODE: An ABC Fund appropriation to the DAS for improvements to the Civil Commitment Unit for Sexual Offenders at Cherokee.

DETAIL: This appropriation is part of a multi-year project totaling \$3,629,000. The funds are being used to renovate the third stack (housing unit) of the facility that includes improvements to the air conditioning system, relocation and renovation of the food service, and improvements to the living quarters. The renovation will increase the capacity from 100 to 150 patients. The DAS received \$1,400,000 from the RIIF and \$650,000 from the RCF in FY 2006, and received \$750,000 in FY 2008. The previous funds were used to renovate the first two stacks and to install a new elevator and stairs for the south stacks, allowing mobility-impaired patients access to the second and third floor wards. In addition, a handicapped accessible elevator was added to the Main Administration Building.

15 24 k. For costs associated with the restoration and  
15 25 renovation, including major repairs and major maintenance, at

CODE: An ABC Fund appropriation to the DAS for renovation and restoration of the Governor's Mansion at Terrace Hill.

15 26 the governor's mansion at Terrace Hill:  
 15 27 ..... \$ 769,543

DETAIL: Maintains the RC3 level of funding. This FY 2009 appropriation is in addition to the \$186,457 appropriated in SF 2432 (FY 2009 Infrastructure Appropriations Act). The funds will be used to continue numerous repairs to the Mansion and Carriage House, including roofs, windows and ornamental exterior components, new boiler system, signage, plaster repairs, and replacement of carpet.

15 28 Sec. 13. 2008 Iowa Acts, chapter 1179, section 18,  
 15 29 subsections 2 through 9, are amended to read as follows:  
 15 30 2. DEPARTMENT FOR THE BLIND  
 15 31 For costs associated with the renovation of dormitory  
 15 32 buildings:  
 15 33 ..... \$ 869,748

CODE: An ABC Fund appropriation to the Department for the Blind for renovation of dormitory buildings.

DETAIL: Maintains the RC3 appropriation level of funding. The Department received \$4,000,000 in FY 2007 for the project that includes renovation of the third and fourth floors of the Department's Adult Orientation and Adjustment Center in Des Moines. The Center is a residential pre-vocational training facility. Additional work includes HVAC upgrades. The renovation project was expected to be completed in April 2009, but the delay in securitization resulted in RC3 funds not being available.

15 34 3. DEPARTMENT OF CORRECTIONS  
 15 35 a. For expansion of the community-based corrections  
 16 1 facility at Sioux City:  
 16 2 ..... \$ 5,300,000

CODE: An ABC Fund appropriation to the Department of Corrections for the expansion of the Community-Based Correctional (CBC) facility in Sioux City.

DETAIL: Maintains the RC3 appropriation level of funding. The expansion for the CBC facility of the Third Judicial District in Sioux City will provide an additional 42 beds.

16 3 b. For expansion of the community-based corrections  
 16 4 facility at Ottumwa:  
 16 5 ..... \$ 4,100,000

CODE: An ABC Fund appropriation to the Department of Corrections for expansion of the Community-Based Correctional (CBC) facility in Ottumwa.

DETAIL: Maintains the RC3 appropriation level of funding. The expansion for the CBC facility of the Eighth Judicial District in Ottumwa will provide an additional 25 beds.

16 6 c. For expansion of the community-based corrections

CODE: An ABC Fund appropriation to the Department of Corrections

16 7 facility at Waterloo:  
 16 8 ..... \$ 6,000,000

for expansion of the Community-Based Correctional (CBC) facility in Waterloo.

DETAIL: Maintains the RC3 appropriation level of funding. The expansion for the CBC facility of the First Judicial District in Waterloo will provide an additional 43 beds.

16 9 d. For expansion of the community-based corrections  
 16 10 facility at Davenport:  
 16 11 ..... \$ 2,100,000

CODE: An ABC Fund appropriation to the Department of Corrections for expansion of the Community-Based Correctional (CBC) facility in Davenport.

DETAIL: This appropriation is new and was not part of the FY 2009 RC3 appropriations. The Davenport CBC Facility received \$10,500,000 from FY 2005 through FY 2007. House File 414 (FY 2009 Appropriations Adjustment Bill) adjusted the FY 2006 RIIF appropriation, but maintained the funding in an FY 2009 Endowment for Iowa's Health Restricted Capitals Fund (RC2) appropriation. The project faced delays in construction, but as of February 2009, the foundation work is progressing and concrete has been poured. Expected completion date is in FY 2011.

16 12 e. For expansion, including land acquisition, of the  
 16 13 community-based corrections facility at Des Moines:  
 16 14 ..... \$ 18,100,000

CODE: An ABC Fund appropriation to the Department of Corrections for the expansion of the Community-Based Correctional (CBC) facility in Des Moines.

DETAIL: This appropriation is new and was not part of the FY 2009 RC3 appropriations. The construction of the CBC facility of the Fifth Judicial District in Des Moines will provide an additional 170 beds. The Fifth Judicial District received an FY 2009 appropriation of \$200,000 from the RIIF for a study on location site and facility options. The Facility and Site Study Final Report was submitted December 12, 2008, and recommended the purchase of 12 acres of property at 5200 NE 22nd Avenue, Des Moines. The site is adjacent to the Polk County Jail.

16 15 The appropriation in this lettered paragraph is  
 16 16 contingent upon relocation of the sex offender  
 16 17 treatment program from the community-based corrections

Specifies that the appropriation for the Fifth Judicial District CBC is contingent on the relocation of the Sex Offender Treatment Program to the new CBC facility in northeast Des Moines. The Program is

16 18 facility at Des Moines to the property in northeast  
 16 19 Des Moines identified by the fifth judicial district  
 16 20 in the facility and site study final report submitted  
 16 21 December 12, 2008.

currently at the Fort Des Moines Community Corrections Complex in south Des Moines.

16 22 It is the intent of the general assembly that the funds  
 16 23 appropriated in paragraphs "a" through "~~e~~" "e" be used to  
 16 24 expand the number of beds available through new construction  
 16 25 and remodeling and ~~not~~ for the ~~replacement~~ expansion of  
 16 26 existing facilities.

Specifies the intent of the General Assembly that the funds for the expansion of CBC beds be used through new construction and remodeling and for expansion of existing facilities. Section 905.4(5), Code of Iowa, requires the CBCs to have express authorization by the General Assembly for constructing, renovating, expanding, or otherwise improving a CBC facility or office. This change in language is a technical correction to SF 2432 (FY 2009 Infrastructure Appropriations Act) that inadvertently restricted the CBCs from using the funding for expansion of their existing facilities. The intention was to give the authorization needed for new construction and remodeling, including relocation of the facility, if required.

16 27 ~~e. f.~~ For expansion of the Iowa correctional facility for  
 16 28 women at Mitchellville:  
 16 29 ..... \$ 47,500,000

CODE: An ABC Fund appropriation to the Department of Corrections for expansion of the Iowa Correctional Institution for Women at Mitchellville.

DETAIL: This appropriation is in addition to the funds appropriated in SF 2432 (FY 2009 Infrastructure Appropriations Act) for 2011 and FY 2012 from the RIF for a total of \$67,979,000. The planned construction will provide an expanded facility that will have 888 beds. This facility will provide a net gain of approximately 168 beds for the prison system. Construction is expected to be completed by January 2012.

16 30 ~~e. g.~~ For the remodeling of kitchens at the correctional  
 16 31 facilities at Mount Pleasant and Rockwell City:  
 16 32 ..... \$ 12,500,000

CODE: An ABC Fund appropriation to the Department of Corrections for remodeling the kitchens for the Mount Pleasant and Rockwell City Correctional Facilities.

DETAIL: The total renovation cost is estimated at \$4,000,000 for Rockwell City and \$8,500,000 for Mount Pleasant.

16 33 4. DEPARTMENT OF EDUCATION

CODE: An ABC Fund appropriation to the Department of Education

16 34 For major renovation and major repair needs, including  
 16 35 health, life, and fire safety needs, and for compliance with  
 17 1 the federal Americans With Disabilities Act, for state  
 17 2 buildings and facilities under the purview of the community  
 17 3 colleges:  
 17 4 ..... \$ 2,000,000

for infrastructure improvements at community colleges.

DETAIL: Maintains the current level of funding. House File 882 (FY 2006 Standing Appropriations Act) appropriated \$2,000,000 per year for FY 2007 through FY 2009 from the RIIF for infrastructure improvements and major maintenance projects. Senate File 2432 (FY 2009 Infrastructure Appropriations Act) deappropriated the FY 2009 funding from the RIIF and moved the appropriation to the RC3. Projects completed with previous funding include items such as fire alarm updates, roof replacements, HVAC upgrades, parking lot improvements, fire safety improvements, installation of ADA compliant power doors, sidewalk repairs, doors, lighting, bathroom upgrades for ADA compliance, and new generators.

17 5 The moneys appropriated in this subsection shall be  
 17 6 allocated to the community colleges based upon the  
 17 7 distribution formula established in section 260C.18C.

CODE: Requires the appropriation for community colleges to be distributed according to the State Aid distribution formula.

17 8 5. DEPARTMENT OF NATURAL RESOURCES  
 17 9 a. For infrastructure improvements for a state river  
 17 10 recreation area located in a county with a population between  
 17 11 21,900 and 22,100:  
 17 12 ..... \$ 750,000

CODE: An ABC Fund appropriation to the Department of Natural Resources (DNR) for infrastructure improvements at a State recreation area in Fayette County.

DETAIL: The funds will be used for improvements at the Volga River State Recreation Area, including the development of a campground that has sewer, water, and electrical connections. The project received \$750,000 in FY 2008 from the RIIF.

17 13 ~~b. For the construction and installation of an angled~~  
 17 14 ~~well, pumps, and piping to connect the existing infrastructure~~  
 17 15 ~~from the new well to a lake located in a county with a~~  
 17 16 ~~population between 87,500 and 88,000~~ For the implementation of  
 17 17 a water quality improvement project for the restoration of a  
 17 18 lake located in a county with a population between 87,500 and  
 17 19 88,000 :  
 17 20 ..... \$ 500,000

CODE: An ABC Fund appropriation to the DNR for improvements at a lake located in Pottawattamie County.

DETAIL: The funds will be used for improvements at Carter Lake adjacent to Levi Carter Park. The DNR received \$500,000 in FY 2008 from the RIIF for the construction and installation of an angled well, pumps, and piping to connect the existing infrastructure to the new well. The FY 2009 funds are planned for general water quality improvement projects, including dredging, fisheries water quality renovation, aluminum sulfate (ALUM) treatment to control

phosphorus, construction of an ALUM injection system, and construction of stormwater detention cells.

17 21 Moneys appropriated in this lettered paragraph are  
 17 22 contingent upon receipt of matching funds from a state taxing  
 17 23 authority surrounding such lake.

Eliminates language that the appropriation for improvements at Carter Lake is contingent on the receipt of matching funds from the State of Nebraska. The contingency language was in context to the construction of the angled well and related infrastructure. The project did receive match funding and the permits for the project are being obtained. In addition, the State of Nebraska will match the funds for the FY 2009 appropriation for water quality improvements.

17 24 ~~c. For the construction of the cabins, activity building,~~  
 17 25 ~~picnic shelters, and other costs associated with the opening~~  
 17 26 ~~of the Honey creek premier destination park:~~  
 17 27 ~~..... \$ 4,900,000~~  
 17 28 ~~The department shall not obligate any funding under this~~  
 17 29 ~~appropriation without approval from the department of~~  
 17 30 ~~management. The department shall provide quarterly updates to~~  
 17 31 ~~the Honey creek premier destination park authority and the~~  
 17 32 ~~legislative services agency on the obligation and spending of~~  
 17 33 ~~this appropriation.~~  
 17 34 ~~In light of this appropriation, the department shall not~~  
 17 35 ~~request additional appropriations for funding the construction~~  
 18 1 ~~of future additional amenities at the Honey creek destination~~  
 18 2 ~~park beyond the fiscal year ending June 30, 2009. In the~~  
 18 3 ~~event that the chairperson of the authority delivers a~~  
 18 4 ~~certificate to the governor, pursuant to section 463C.13,~~  
 18 5 ~~stating the amounts necessary to restore bond reserve funds,~~  
 18 6 ~~it is the general assembly's intent upon consideration of the~~  
 18 7 ~~governor's request to first seek refunding from the~~  
 18 8 ~~department's budget.~~

CODE: Deappropriates an FY 2009 RC3 appropriation to the DNR for the construction of cabins, an activity center, and shelter associated with the Honey Creek Premier Destination Park.

DETAIL: House File 414 (FY 2009 Appropriations Adjustments Bill) also deappropriated the project from the RC3 and restored funding for it in the RC2. The \$4,900,000 is in addition to \$3,100,000 from the RCF in FY 2009 for a total of \$8,000,000. The funds are to complete Phase 1 structures at Honey Creek. Phase 1 projects were listed in the bond agreement and are required to be completed. Construction projects included are 28 cabins, an activity center, and shelter.

18 9 ~~d. c.~~ For implementation of lake projects that have  
 18 10 established watershed improvement initiatives and community  
 18 11 support in accordance with the department's annual lake

CODE: An ABC Fund appropriation to the DNR for lake restoration and dredging projects.



18 12 restoration plan and report , notwithstanding section 8.57,  
 18 13 subsection 6, paragraph "c" :  
 18 14 ..... \$ 8,600,000

DETAIL: Maintains the current level of funding. The funds will be used for projects identified in the Department's Lake Restoration Annual Report and Plan focusing on the first 35 projects that make up the priority list of lake candidates.

18 15 (1) It is the intent of the general assembly that the  
 18 16 department of natural resources shall implement the lake  
 18 17 restoration annual report and plan submitted to the joint  
 18 18 appropriations subcommittee on transportation, infrastructure,  
 18 19 and capitals and the legislative services agency on December  
 18 20 26, 2006 , pursuant to section 456A.33B. The lake restoration  
 18 21 projects that are recommended by the department to receive  
 18 22 funding for fiscal year 2007=2008 and that satisfy the  
 18 23 criteria in section 456A.33B, including local commitment of  
 18 24 funding for the projects, shall be funded in the amounts  
 18 25 provided in the report.

Specifies the intent of the General Assembly that the DNR implement the Lake Restoration Report and Plan as submitted annually to the Transportation, Infrastructure, and Capitals Appropriations Subcommittee by January 1.

18 26 Of the amounts appropriated in this lettered paragraph, at  
 18 27 least the following amounts shall be allocated as follows:  
 18 28 (a) For clear lake in Cerro Gordo county:  
 18 29 ..... \$ 3,000,000  
 18 30 (b) For storm lake in Buena Vista county:  
 18 31 ..... \$ 1,000,000  
 18 32 (c) For carter lake in Pottawattamie county:  
 18 33 ..... \$ 200,000

Allocates a total of \$4,200,000 of the lake restoration appropriation to the following purposes:

- \$3,000,000 for Clear Lake.
- \$1,000,000 for Storm Lake.
- \$200,000 for Carter Lake.

All of these amounts are as recommended in the Lake Restoration 2007 Report and 2008 Plan submitted on December 28, 2007. The FY 2009 appropriation goes towards the items proposed in the 2007 report. An FY 2010 appropriation would go toward the projects recommended in the 2008 report.

18 34 (2) Of the moneys appropriated in this lettered paragraph,  
 18 35 \$200,000 shall be used for the purposes of supporting a low  
 19 1 head dam public hazard improvement program. The moneys shall  
 19 2 be used to provide grants to local communities, including  
 19 3 counties and cities, for projects approved by the department.  
 19 4 (a) The department shall award grants to dam owners

Allocates \$200,000 from the Lake Restoration appropriation for the Low Head Dam Public Hazard Improvement Program. Senate File 2432 (FY 2009 Infrastructure Appropriations Act) appropriated \$1,000,000 from the RIIF for the Program. The funds were to be used to award grants to dam owners, including State and local government entities, as well as private owners, to improve low head dam safety. In addition, SF 2430 (FY 2009 Economic Stimulus Act) appropriated

19 5 including counties, cities, state agencies, cooperatives, and  
 19 6 individuals, to support projects approved by the department.  
 19 7 (b) The department shall require each dam owner applying  
 19 8 for a project grant to submit a project plan for the  
 19 9 expenditure of the moneys, and file a report with the  
 19 10 department regarding the project, as required by the  
 19 11 department.  
 19 12 (c) The funds can be used for signs, posts, and related  
 19 13 cabling, and the department shall only award money on a  
 19 14 matching basis, pursuant to the dam owner contributing at  
 19 15 least 20 cents for every 80 cents awarded by the department,  
 19 16 in order to finance the project. For the remainder of the  
 19 17 funds, including any balance of money not awarded for signs,  
 19 18 posts, and related cabling, the department shall only award  
 19 19 moneys to a dam owner on a matching basis. A dam owner shall  
 19 20 contribute one dollar for each dollar awarded by the  
 19 21 department in order to finance a project.

\$250,000 to the DNR to establish and administer a water trails and low head dam public hazard improvement plan throughout the State. In September 2008, the \$1,000,000 RIIF appropriation was transferred to the Housing Assistance Fund for the Jumpstart Housing Assistance Program. This transfer was ratified in HF 414 (FY 2009 Appropriations Adjustments Bill).

Specifies the requirements for the Department in awarding grants from this Program. Funds may be used for signs, posts, and related cabling, but the dam owner must contribute at least 20 cents for every 80 cents awarded by the Department. For all other projects financed by these funds, the dam owner must contribute \$1.00 for each dollar awarded by the Department.

19 22 6. STATE BOARD OF REGENTS  
 19 23 For infrastructure, deferred maintenance, and equipment  
 19 24 related to Iowa public radio:  
 19 25 ..... \$ 2,000,000

CODE: An ABC Fund appropriation to the Board of Regents for Iowa Public Radio infrastructure improvements.

DETAIL: This was a new appropriation for FY 2009. The funding will be used for major maintenance and repairs, infrastructure improvements, and the purchase of equipment for the Iowa Public Radio stations. Iowa Public Radio has stations in Ames/Des Moines, Carroll, Cedar Falls, Dubuque, Fort Dodge, Iowa City, Lamoni, Mason City, Ottumwa, and the Quad Cities.

19 26 7. IOWA STATE FAIR  
 19 27 For infrastructure improvements to the Iowa state  
 19 28 fairgrounds including but not limited to the construction of  
 19 29 an agricultural exhibition center on the Iowa state  
 19 30 fairgrounds:  
 19 31 ..... ~~\$ 5,000,000~~  
 19 32 8,000,000

CODE: An ABC Fund appropriation to the State Fair Authority for construction of an agricultural exhibition center.

DETAIL: This is an increase of \$3,000,000 compared to the RC3 appropriation. Fiscal Year 2009 was the second year of three years of funding. The additional \$3,000,000 will fully fund the FY 2010 request. The project received \$3,000,000 from the RIIF in FY 2008. The total cost of the planned project is estimated at \$24,000,000. This is an increase of approximately \$6,000,000 from original estimates. The State Fair has requested a total of \$11,000,000 in

State funds for the project and has raised, or plans to raise, an additional \$9,500,000 in private funds. The State Fair Authority advises it needs an additional \$3,500,000 to complete the project and would look to several potential source of funds, whether private donation, State appropriation, or from State Fair revenues.

19 33 8. DEPARTMENT OF TRANSPORTATION  
 19 34 a. For deposit into the public transit infrastructure  
 19 35 grant fund created in section 324A.6A:  
 20 1 ..... \$ 2,200,000

CODE: An ABC Fund appropriation to the Department of Transportation (DOT) for deposit in the Public Transit Infrastructure Grant Fund.

DETAIL: Maintains the current level of funding. House File 2782 (FY 2007 Infrastructure Appropriations Act) created the Fund for the purpose of providing grants for infrastructure-related projects at the 35 public transit agencies throughout the State. The projects must meet the definition of vertical infrastructure. Funds for FY 2007 and FY 2008 were used for new bus storage buildings, administrative buildings, maintenance facilities, storage buildings, and other capital projects at the public transit agencies. Fiscal Year 2009 funds have been approved by the Transportation Commission for reconstruction of a steam cleaning area for CyRide, relocation of transit offices for the City of Davenport Transit System, new vehicle storage and wash bays for Region 9 (River Bend Transit System), and construction of vehicle storage for Region 12 (Western Iowa Transit System).

20 2 b. For infrastructure improvements at the commercial  
 20 3 service airports within the state:  
 20 4 ..... \$ 1,500,000

CODE: An ABC Fund appropriation to the DOT for vertical infrastructure improvements at the State's commercial service airports.

DETAIL: Maintains the current level of funding. The commercial service airports include Burlington, Cedar Rapids, Des Moines, Dubuque, Fort Dodge, Mason City, Sioux City, and Waterloo. Projects planned for the FY 2009 funding include construction of hangars, renovation of terminal buildings, construction of vehicle storage buildings, rehabilitation of maintenance buildings, renovation of terminal buildings, and replacement of roof and siding on airport dwellings.

20 5 Fifty percent of the funds appropriated in this lettered

Requires \$750,000 of the funds appropriated to be allocated equally

20 6 paragraph shall be allocated equally between each commercial  
 20 7 air service airport, forty percent of the funds shall be  
 20 8 allocated based on the percentage that the number of enplaned  
 20 9 passengers at each commercial air service airport bears to the  
 20 10 total number of enplaned passengers in the state during the  
 20 11 previous fiscal year, and ten percent of the funds shall be  
 20 12 allocated based on the percentage that the air cargo tonnage  
 20 13 at each commercial air service airport bears to the total air  
 20 14 cargo tonnage in the state during the previous fiscal year.  
 20 15 In order for a commercial air service airport to receive  
 20 16 funding under this lettered paragraph, the airport shall be  
 20 17 required to submit applications for funding of specific  
 20 18 projects to the department for approval by the state  
 20 19 transportation commission.

between each of the commercial service airports, \$600,000 to be allocated based on the percentage of enplaned passengers during the previous fiscal year, and \$150,000 to be allocated based on each airport's proportion of air cargo tonnage during the previous fiscal year. Requires airports to submit applications for funding to the DOT for approval by the Transportation Commission.

20 20 9. DEPARTMENT OF VETERANS AFFAIRS  
 20 21 a- For matching funds for the construction of resident  
 20 22 living areas at the Iowa veterans home and related  
 20 23 improvements associated with the Iowa veterans home  
 20 24 comprehensive plan:  
 20 25 ..... \$ 20,555,329

CODE: An ABC Fund appropriation to the Department of Veterans Affairs for construction and renovation of the Iowa Veterans Home.

DETAIL: The Iowa Veterans Home Master Plan estimates that construction and renovation of the facilities at the Iowa Veterans Home will cost \$100,000,000 over a period from FY 2009 and FY 2021. The funds provide the 35.00% State match required for Phases 2, 3, and 4. The FY 2009 funding was intended to allow these projects to be included on the 2009 Federal Capitals Construction List; however, due to the delay in securitization, the projects were not eligible. The Iowa Veterans Home will use the funding to make projects eligible for the 2010 Federal Capitals Construction List. The deadline for eligibility for federal approval is August 15 and the funds must be available prior to that date.

20 26 ~~b. To build a memorial plaza that honors veterans from the~~  
 20 27 ~~Dubuque area:~~  
 20 28 ~~..... \$ 100,000~~

CODE: Deappropriates the FY 2009 RC3 appropriation for a memorial plaza honoring veterans from the Dubuque area.

DETAIL: The project was funded by a transfer from the Veterans County Grant Program.

20 29 Sec. 14. 2008 Iowa Acts, chapter 1179, sections 19 and 20,

Requires the ABC Fund appropriations to be expended in a manner

20 30 are amended to read as follows:  
20 31 SEC. 19. TAX=EXEMPT STATUS == USE OF APPROPRIATIONS.  
20 32 Payment of moneys from the appropriations in this division of  
20 33 this Act shall be made in a manner that does not adversely  
20 34 affect the tax=exempt status of any outstanding bonds issued  
20 35 by the ~~tobacco settlement authority~~ treasurer of state .

that does not jeopardize the tax-exempt status of bonds issued by the Treasurer of State.

21 1 SEC. 20. REVERSION. Notwithstanding section 8.33, moneys  
21 2 appropriated in this division of this Act for the fiscal year  
21 3 beginning July 1, 2008, and ending June 30, 2009, shall not  
21 4 revert at the close of the fiscal year for which they are  
21 5 appropriated but shall remain available for the purposes  
21 6 designated until the close of the fiscal year that begins July  
21 7 1, ~~2011~~ 2012 , or until the project for which the appropriation  
21 8 was made is completed, whichever is earlier.

CODE: Requires nonreversion of funds appropriated from the ABC Fund in this Division through FY 2013.

DETAIL: Typically infrastructure projects do not revert for four years. Due to the delay in securitization, the FY 2009 projects have been on hold and have not received funding. If the Treasurer of State is able to begin the bond issuance process in March 2009, the proceeds will not be available for at least six weeks. This timeframe means that the projects would only be able to utilize FY 2009 funding for a couple months at the most. The extension on the reversion date reflects this and provides an additional fiscal year for use of the funds.

21 9 Sec. 15. EFFECTIVE DATE. This division of this Act, being  
21 10 deemed of immediate importance, takes effect upon enactment.

CODE: Specifies that Division III takes effect on enactment.

21 11 SF 376  
21 12 rh/rj/jh/26

## Summary Data

### Other Funds

	Estimated FY 2009	Supp-Senate Action FY 2009	Estimated Net FY 2009	Page and Line #
	(1)	(2)	(3)	(4)
Transportation, Infrastructure, and Capitals	\$ 162,794,698	\$ 11,366,922	\$ 174,161,620	
<b>Grand Total</b>	<u><u>\$ 162,794,698</u></u>	<u><u>\$ 11,366,922</u></u>	<u><u>\$ 174,161,620</u></u>	

# Transportation, Infrastructure, and Capitals

## Other Funds

	Estimated FY 2009 (1)	Supp-Senate Action FY 2009 (2)	Estimated Net FY 2009 (3)	Page and Line # (4)
<b><u>Administrative Services - Capitals</u></b>				
<b>Administrative Services - Capitals</b>				
Cap. Complex Utility Tunnel-RC3	\$ 4,763,078	\$ -4,763,078	\$ 0	
Capitol Restoration-RC3	6,900,000	-6,900,000	0	
Electrical Distribution System-RC3	4,470,000	-4,470,000	0	
Hoover HVAC-RC3	1,500,000	-1,500,000	0	
Central Energy Plant Improvements-RC3	623,000	-623,000	0	
Hoover Security & Firewall Protection-RC3	165,000	-165,000	0	
Major Repair and Maintenance-RC3	15,000,000	-15,000,000	0	
Purchase Mercy Capitol Hospital-RC3	3,400,000	-3,400,000	0	
Terrace Hill Major Maintenance-RC3	769,543	-769,543	0	
DHS-CCUSO Renovation-RC3	829,000	-829,000	0	
Major Maintenance - ABC	0	15,000,000	15,000,000	PG 15 LN 8
Capitol Complex Utility Tunnel - ABC	0	1,000,000	1,000,000	PG 14 LN 20
Capitol Interior/Exterior Restoration-ABC	0	6,900,000	6,900,000	PG 14 LN 27
Capitol Complex Elect Distribution Upgrade- ABC	0	850,000	850,000	PG 14 LN 30
Hoover HVAC Improvements - ABC	0	1,500,000	1,500,000	PG 14 LN 34
DHS - CCUSO Renovation - ABC	0	829,000	829,000	PG 15 LN 21
Capitol Complex Energy Plant Impr.- ABC	0	623,000	623,000	PG 15 LN 2
Terrace Hill Restoration - ABC	0	769,543	769,543	PG 15 LN 24
Hoover Bldg Security Improve/Firewall- ABC	0	165,000	165,000	PG 15 LN 5
Mercy Capitol Hospital Purchase - ABC	0	3,950,000	3,950,000	PG 15 LN 14
<b>Total Administrative Services - Capitals</b>	<b>\$ 38,419,621</b>	<b>\$ -6,833,078</b>	<b>\$ 31,586,543</b>	
<b><u>Blind Capitals, Dept. for the</u></b>				
<b>Dept. for the Blind Capitals</b>				
Blind Building Renovation-RC3	\$ 869,748	\$ -869,748	\$ 0	
Dormitory Remodeling - ABC	0	869,748	869,748	PG 15 LN 28
<b>Total Blind Capitals, Dept. for the</b>	<b>\$ 869,748</b>	<b>\$ 0</b>	<b>\$ 869,748</b>	

# Transportation, Infrastructure, and Capitals

## Other Funds

	Estimated FY 2009 (1)	Supp-Senate Action FY 2009 (2)	Estimated Net FY 2009 (3)	Page and Line # (4)
<b><u>Corrections Capital</u></b>				
<b>Corrections Capital</b>				
First District CBC Expansion Waterloo - ABC	\$ 0	\$ 6,000,000	\$ 6,000,000	PG 16 LN 6
Third District CBC Expansion Sioux City-ABC	0	5,300,000	5,300,000	PG 15 LN 34
Seventh District CBC Expansion Davenport - ABC	0	2,100,000	2,100,000	PG 16 LN 9
Eighth District CBC Expansion Ottumwa-ABC	0	4,100,000	4,100,000	PG 16 LN 3
Iowa Correctional Inst. for Women - ABC	0	47,500,000	47,500,000	PG 16 LN 27
Mt. Pleasant/Rockwell City Kitchen Remodel-ABC	0	12,500,000	12,500,000	PG 16 LN 30
Fifth District CBC Expansion Des Moines - ABC	0	18,100,000	18,100,000	PG 16 LN 12
CBC Sioux City Bed Expansion-RC3	5,300,000	-5,300,000	0	
CBC Ottumwa Bed Expansion-RC3	4,100,000	-4,100,000	0	
CBC Waterloo Bed Expansion-RC3	6,000,000	-6,000,000	0	
Iowa Correctional Inst. for Women-RC3	47,500,000	-47,500,000	0	
Mt. Pleasant/Rockwell City Kitchens-RC3	12,500,000	-12,500,000	0	
<b>Total Corrections Capital</b>	<b>\$ 75,400,000</b>	<b>\$ 20,200,000</b>	<b>\$ 95,600,000</b>	
<b><u>Education Capital</u></b>				
<b>Education Capital</b>				
Community College Infrastructure-RC3	\$ 2,000,000	\$ -2,000,000	\$ 0	
Community College Infrastructure -ABC	0	2,000,000	2,000,000	PG 16 LN 33
<b>Total Education Capital</b>	<b>\$ 2,000,000</b>	<b>\$ 0</b>	<b>\$ 2,000,000</b>	
<b><u>Natural Resources Capital</u></b>				
<b>Natural Resources Capital</b>				
Volga River-RC3	\$ 750,000	\$ -750,000	\$ 0	
Carter Lake Improvements-RC3	500,000	-500,000	0	
Honey Creek Destination Park-RC3	4,900,000	-4,900,000	0	PG 17 LN 24
Lake Rest. & Dredging Projects-RC3	8,600,000	-8,600,000	0	
Volga River Rec. Area Infrastructure - ABC	0	750,000	750,000	PG 17 LN 8
Carter Lake Infrastructure -ABC	0	500,000	500,000	PG 17 LN 13
Lake Restoration and Dredging -ABC	0	8,600,000	8,600,000	PG 18 LN 9
<b>Total Natural Resources Capital</b>	<b>\$ 14,750,000</b>	<b>\$ -4,900,000</b>	<b>\$ 9,850,000</b>	



# Transportation, Infrastructure, and Capitals

## Other Funds

	Estimated FY 2009 (1)	Supp-Senate Action FY 2009 (2)	Estimated Net FY 2009 (3)	Page and Line # (4)
<b><u>Regents Capital</u></b>				
<b>Regents Capital</b>				
Iowa Public Radio	\$ 2,000,000	\$ -2,000,000	\$ 0	
Iowa Public Radio Infrastructure - ABC	0	2,000,000	2,000,000	PG 19 LN 22
<b>Total Regents Capital</b>	<b>\$ 2,000,000</b>	<b>\$ 0</b>	<b>\$ 2,000,000</b>	
<b><u>State Fair Authority Capital</u></b>				
<b>State Fair Authority Capital</b>				
Agricultural Exhibition Center-RC3	\$ 5,000,000	\$ -5,000,000	\$ 0	
Agricultural Exhibition Center - ABC	0	8,000,000	8,000,000	PG 19 LN 26
<b>Total State Fair Authority Capital</b>	<b>\$ 5,000,000</b>	<b>\$ 3,000,000</b>	<b>\$ 8,000,000</b>	
<b><u>Transportation, Dept. of</u></b>				
<b>Transportation, Dept. of</b>				
Public Transit Fund-RC3	\$ 2,200,000	\$ -2,200,000	\$ 0	
Commercial Aviation Infrastructure-RC3	1,500,000	-1,500,000	0	
Public Transit Vertical Infrastructure - ABC	0	2,200,000	2,200,000	PG 19 LN 33
Commercial Airport Vertical Infrastructure- ABC	0	1,500,000	1,500,000	PG 20 LN 2
<b>Total Transportation, Dept. of</b>	<b>\$ 3,700,000</b>	<b>\$ 0</b>	<b>\$ 3,700,000</b>	
<b><u>Veterans Affairs, Dept. of</u></b>				
<b>Veterans Affairs, Department of</b>				
Dubuque Veterans Memorial Plaza-RC3	\$ 100,000	\$ -100,000	\$ 0	PG 20 LN 26
<b>Total Veterans Affairs, Dept. of</b>	<b>\$ 100,000</b>	<b>\$ -100,000</b>	<b>\$ 0</b>	
<b><u>Veterans Affairs Capitals</u></b>				
<b>Veterans Affairs Capital</b>				
Iowa Veterans Home Construction - ABC	\$ 0	\$ 20,555,329	\$ 20,555,329	PG 20 LN 20
IVH Infrastructure-RC3	20,555,329	-20,555,329	0	
<b>Total Veterans Affairs Capitals</b>	<b>\$ 20,555,329</b>	<b>\$ 0</b>	<b>\$ 20,555,329</b>	
<b>Total Transportation, Infrastructure, and Capitals</b>	<b>\$ 162,794,698</b>	<b>\$ 11,366,922</b>	<b>\$ 174,161,620</b>	

## Appropriation Bonds Capitals (ABC) Fund

	Proposed Legislative Action FY 2009
<b>Resources</b>	
Beginning Balance	\$ 0
Bond Proceeds	175,000,000
Total Available Resources	<u>\$ 175,000,000</u>
<b>Appropriations</b>	
Department of Administrative Services	
Major Maintenance	\$ 15,000,000
Capitol Complex Utility Tunnel	1,000,000
Capitol Interior/Exterior Restoration	6,900,000
Capitol Complex Electrical Distribution Upgrade	850,000
Hoover Building HVAC Improvements	1,500,000
DHS - CCUSO Renovation	829,000
Capitol Complex Energy Plant Additions and Improvements	623,000
Terrace Hill Restoration	769,543
Hoover Building Security Improvements/Fire Wall Upgrade	165,000
Mercy Capitol Hospital Purchase	3,950,000
Department of the Blind	
Dorm Remodel	869,748
Department of Corrections	
First CBC - Waterloo Residential Expansion	6,000,000
Third CBC - Sioux City Residential Expansion	5,300,000
Seventh CBC - Davenport Residential Expansion	2,100,000
Eighth CBC - Ottumwa Residential Expansion	4,100,000
Iowa Correctional Institution for Women at Mitchellville Expansion	47,500,000
Fifth CBC - Des Moines Residential Expansion	18,100,000
Mt. Pleasant/Rockwell City Kitchen Remodeling	12,500,000
Department of Education	
Community College Infrastructure	2,000,000
Department of Natural Resources	
Volga River Rec. Area Infrastructure Improvements	750,000
Carter Lake Improvements	500,000
Lake Restoration and Dredging Projects	8,600,000
Regents	
Iowa Public Radio Infrastructure	2,000,000
State Fair Authority	
Ag Exhibition Center	8,000,000
Department of Transportation	
Public Transit Infrastructure	2,200,000
Commercial Airport Vertical Infrastructure	1,500,000
Department of Veterans Affairs	
Iowa Veterans Home Master Plan	20,555,329
Total Expenditures	<u>\$ 174,161,620</u>
Ending Balance	<u>\$ 838,380</u>